

and encourage the growth and development of businesses throughout the world. I hope my colleagues will join me in recognizing and celebrating the contributions of cooperatives and pass this important resolution this year.

SENATE RESOLUTION 88—EX-PRESSING THE SENSE OF THE SENATE THAT BUSINESSES OF THE UNITED STATES SHOULD RETAIN THE OPTION TO ORGANIZE AS THOSE BUSINESSES CHOOSE, INCLUDING THE FLOW-THROUGH ENTITIES, AND NOT BE FORCED TO REORGANIZE AS C CORPORATIONS

Ms. SNOWE submitted the following resolution; which was referred to the Committee on Finance.

S. RES. 88

Whereas the tremendous growth in businesses organized as flow-through entities, including S corporations, has resulted in the number of flow-through entities far exceeding the number of C corporations;

Whereas there are more than 26,000,000 businesses operating as flow-through entities in the United States, representing 82 percent of all United States businesses, relative to just 5,900,000 C corporations;

Whereas these flow-through and small businesses create 70 percent of all new jobs and are responsible for 44 percent of the total private payroll in the United States;

Whereas under the Internal Revenue Code of 1986 as in effect in March 2011, these job-generating businesses are taxed at individual tax rates based on the individual income of the business owners, making these businesses highly sensitive to changes in individual tax rates;

Whereas as of March 2011, 50 percent of all income above \$250,000 is attributable to flow-through businesses;

Whereas, if individual tax rates increase after 2012 in accordance with the proposals set forth by the President, flow-through businesses will face a massive aggregate tax increase, potentially in excess of \$800,000,000,000;

Whereas the Secretary of the Treasury has proposed forcing flow-through entities to reorganize as C corporations to make them subject to double taxation as a way to impose more taxes on these businesses in order to pay for the budgetary policies of the President; and

Whereas forcing corporate reorganizations for purely tax-driven reasons represents a misguided incentive, a misallocation of precious business resources, and a serious threat to job creation: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Federal Government should preserve the organizational options available for businesses to operate as the businesses choose, including as flow-through entities;

(2) raising taxes on businesses that create jobs will be detrimental to the economic recovery of the United States;

(3) generating increased tax revenue on the backs of the small businesses of the United States is inconsistent with, and will impede, job creation; and

(4) any legislative approach to comprehensive fundamental tax reform should include a debate on the individual rates at which most businesses in the United States should be taxed, rather than narrowly focusing on corporate tax rates or forcing small business owners into corporate status for tax purposes.

Ms. SNOWE. Mr. President, I rise to submit a sense of the Senate resolution that clarifies my opposition to tax increases on the job-creating sector of our economy—small business.

It is becoming increasingly clear, and increasingly concerning, that the administration is proposing to raise taxes on America's small businesses, either by forcing them to reorganize as subchapter C corporations solely for tax reasons and be subjected to new and additional taxes, or, by allowing them to remain organized as flow-through entities, where they will face massive increases after 2012 when current tax rates expire. Our Nation simply cannot afford an impending tax increase of over \$800 billion. Subjecting small businesses to the double taxation of corporate-entity status would be a major mistake.

There has been tremendous growth in the number of flow-through entities—that is, non-C corporations—over the past 30 years and this growth has only accelerated in the last decade. Since 1997, S corporations have outnumbered C corporations. Fifty percent of all income above \$250,000 currently is attributable to flow-through businesses. By 2007, only 5.9 million out of a total 32.1 million U.S. businesses, or just 18 percent, were C corporations, meaning the overwhelming number of businesses in this country organize as flow-through entities.

The administration is proposing to eliminate choice and require C corporation formation purely to generate revenue. C corporate form helps generate revenue because it is inherently a double tax, first at the entity then at the individual shareholder level. The Treasury Secretary said that this proposed change could subject up to \$3 trillion to new and additional income taxes.

In this regard, the administration is proposing to raise taxes on America's small businesses: either by forcing them to reorganize as C corporations solely for tax reasons and be subjected to new and additional levies, or if the administration deigns to let them remain organized as flow-through entities, then they will be hit with massive increased taxes after 2012 when current tax rates expire—an impending tax increase of over \$800 billion that job creators cannot afford.

Individual income tax rates absolutely affect these businesses. The growth in the number of flow-through businesses is critical to understanding why the increase in individual rates is so damaging to small business job generation.

When we talk about flow-through entities what we really mean are America's small businesses. A discussion of tax reform must not ignore the small businesses that make up the backbone of America. The administration continues to talk about corporate tax reform but it should be talking about business tax reform, which of necessity must include a real discussion of individual tax rates.

Many of America's small businesses choose the flow-through option to avoid double taxation. Forcing them to convert to C corporate status is simply another way to increase their costs and raise their taxes. This would hurt job creation since 70 percent of our good American jobs are created by these businesses.

I urge my colleagues to review my proposal and join me in telling those who would raise taxes on the millions of businesswomen and businessmen we are counting on to create the jobs we need to put the recession firmly behind us—no thank you.

SENATE RESOLUTION 89—RELATING TO THE DEATH OF FRANK W. BUCKLES, THE LONGEST SURVIVING UNITED STATES VETERAN OF THE FIRST WORLD WAR

Mr. ROCKEFELLER (for himself, Mr. BURR, Mr. MANCHIN, Mr. UDALL of Colorado, Mr. BEGICH, Mrs. McCASKILL, Mr. MENENDEZ, Mr. BROWN of Ohio, Mr. LIEBERMAN, Mr. NELSON of Florida, Mr. KERRY, Mr. WYDEN, Ms. LANDRIEU, Mr. BROWN of Massachusetts, Mr. MCCAIN, and Mr. BINGAMAN) submitted the following resolution; which was considered and agreed to:

S. RES. 89

Whereas Frank Woodruff Buckles is the last known American World War I veteran, who passed away on February 27, 2011, at the age of 110, and represents his generation of veterans;

Whereas America's support of Great Britain, France, Belgium, and its other allies in World War I marked the first time in the Nation's history that American soldiers went abroad in defense of liberty against foreign aggression, and it marked the true beginning of the "American century";

Whereas more than 4,000,000 men and women from the United States served in uniform during World War I, among them 2 future presidents, Harry S. Truman and Dwight D. Eisenhower;

Whereas 2,000,000 individuals from the United States served overseas during World War I, including 200,000 naval personnel who served on the seas;

Whereas the United States suffered 375,000 casualties during World War I, including 116,516 deaths;

Whereas the events of 1914 through 1918 shaped the world, the United States, and the lives of millions of people in countless ways; and

Whereas Frank Woodruff Buckles is the last veteran to represent the extraordinary legacy of the World War I veterans: Now, therefore, be it

Resolved, That—

(1) the Senate recognizes the historic contributions of all United States veterans who served in the First World War; and

(2) when the Senate adjourns today, it stand adjourned as a further mark of respect to the memory of Frank W. Buckles, the longest surviving United States veteran of the First World War.

SEC. 2. The Secretary of the Senate is directed to transmit an enrolled copy of this resolution to the family of the deceased.